

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PUBLIC SCHOOL CONSTRUCTION**

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June 1, 1998

Mass Mailer #98-06

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On May 27, 1998, the State Allocation Board (SAB) apportioned approximately \$3.4 million for on-going projects and bid approvals. The SAB also addressed other issues as follows:

Consent Calendar

The cost indices for Class B, D, Furniture and Equipment and the Historical Savings index remain the same as the previous month.

The consent agenda included Phase P, S and C "unfunded" approvals for more than 106 projects with an "unfunded" value of approximately \$66.4 million.

Status of Funds

The SAB has requested that the Office of Public School Construction (OPSC) prepare a report of those funds apportioned to districts that have not been released for expenditure from Proposition 203 funds. There is over \$300 million yet to be released. If your district has not been authorized to expend all funds apportioned from Proposition 203 to your district, please contact your Project Manager.

State Relocatable Program

The SAB took action to purchase an additional 140 buildings for lease to qualifying districts. Those districts that are next in line for lease of State Relocatables will be notified by separate action.

Deferred Maintenance Critical Hardship Projects

The SAB, on advice from counsel, has determined that contracts for critical hardship projects entered into by applicant districts based upon the recommendation of the district's architect and in which the architect has a financial interest are in violation of Government Code Section 1090 and are therefore void under California law. Any expenditures made on these contracts are deemed improper. The SAB has directed the OPSC to initiate collection procedures to recapture state funds expended by applicant districts that were used for these improper expenditures. The OPSC has identified certain districts where this may have occurred and these districts will be notified by separate letter on the process for collection.

The SAB further directed the OPSC to develop a policy that will withhold funding for any sole source contract awarded under the provisions of Public Contract Code (PCC) Section 20113 unless the district has obtained approval of its board by unanimous vote that an "emergency" exists, approval of the "emergency" by the county superintendent of schools and approval to award by the OPSC. The SAB Implementation Committee will develop a final policy for

consideration by the SAB in the near future. Until a policy has been formally developed and approved by the SAB, any

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district which proposes to use the emergency provisions of PCC Section 20113 to award a contract on an “emergency” basis must contact Ms. Audrey Edwards at (916) 327-9249 or via e-mail at auedward@dgs.ca.gov for pre-approval of the award or the contract will be deemed ineligible for State funding.

Other Issues

Please join the OPSC in congratulating Richard Sheffield on his promotion to Supervisor of the Change Order and Cost Allowance Team (COCAT). Any questions regarding COCAT may be directed to Richard at (916) 322-0329 or via e-mail at rsheffie@dgs.ca.gov.

OPSC Change Order Review and Approval Process

In order to streamline the review/approval process for change orders, the OPSC has implemented the following procedures:

1. Before a change order will be accepted for review/approval by the OPSC, the following items must have been completed:
 - The change order must have signatures from the district representative, architect, contractor and approval by the Division of the State Architect.
 - The architect must have classified each item in the change order as building, utilities, service/off/general site development, demolition etc.
 - The change order for the contract is in sequence (i.e. change order 1 and 2 must have been submitted to the OPSC before change order 3).

If the above items are not complete, the OPSC will return the change order to the district with an explanation as to what is needed to complete the review/approval process. If all items have been completed, the OPSC will deem the change order as “acceptable for review” and it will be processed in the order received.
2. All building item change orders for modernization will not be reviewed until the final audit of the project. Districts may submit the change order in advance and it will be included in the file for processing at final audit. Any change order request for non-building items such as general site development or utilities will not be approved by the OPSC.
3. The OPSC will no longer provide preliminary review/approval of any change order. Districts are advised to follow the Lease-Purchase Applicant Handbook which outlines which type and the dollar amount of change orders that are approvable for funding under the Program.

District cooperation in adhering to these procedures will allow the OPSC to process complete change orders submittals in a more timely manner.

OPSC Review of Final Plans and Specifications (P&S)

Once a final P&S package is received by the OPSC for processing of a Phase C request, a preliminary review of the package will be made to assure that all the following items have been submitted: P&S on CD-ROM or “Zip Drive”, current cost estimate Form SAB 506 with back-up, 3A diagrams, Form SAB 74H (class D) or Form SAB 74F (class B), Form SAB 390 (if DSA approved) and any addenda (if applicable). If all the above items have not been submitted with the Phase C request, the OPSC will notify the district of the additional items needed before a Phase C request may be processed. If the items are not received by the OPSC within ten days of the date of the notification to the district, the OPSC will return the Phase C request to the district. If all items are present, the OPSC will deem the submittal “acceptable for review” and it will be processed in

accordance with the SAB review priorities. Once the acceptable Phase C package is ready for processing, It is the OPSC goal to complete the plan review within four hours.

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Storm Water Pollution Prevention Policy

For new construction Lease-Purchase projects of over five acres where there will be site disturbance (i.e. rough/ fine grading, trenching), districts are reminded that it is responsible for complying with the Federal Clean Water Act. In accordance with this Act, districts are required to secure a water permit. The water permit cannot be secured without a Storm Water Pollution Plan, the filing of a Notice of Intent and the payment of a \$250 to \$500 fee. For specific information regarding preparation of the Storm Water Pollution Prevention Plan and the water permit, districts may contact Bruce Fujimoto at the State Water Resources Control Board at (916) 657-0908.

Although responsibility for the development of the Storm Water Pollution Plan rests with the district, the project architect will ultimately detail the specifics of the storm water mitigation measures in the plans and specifications. The approved costs associated with the planning, Notice of Intent Fee and minimum service site Storm Water Pollution Plan activities may be eligible project costs as long as the costs are itemized and substantiated by the Plan.

All modernization, reconstruction, rehabilitation, air-conditioning, deferred maintenance, state relocatables, child care facility projects are exempt from this requirement.

Lease-Purchase Applicant Handbook

The Lease-Purchase Applicant Handbook has been revised and is available now on the Internet for downloading at: <http://www.dgs.ca.gov/opsc/pdf/handbook.pdf>. It has instant search capabilities by clicking on any item in the table of contents.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

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